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Acting Administrator
and
Consumer Advocate

Herbert Walker
Acting Administrator

The State of South Carolina
Department of Consumer Affairs

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EQUAL OPPORTUNITY EMPLOYER

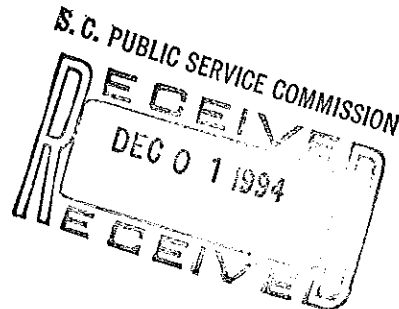
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November 30, 1994

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Greenville
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Hartsville
William P. Flack
Anderson

The Honorable Charles W. Ballentine
Executive Director
South Carolina Public Service Commission
P.O. Drawer 11649
Columbia, South Carolina 29211

Re: Duke Power Company
Docket No. 94-615-E



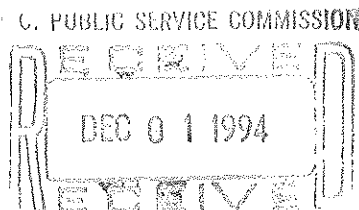
Dear Mr. Ballentine:

Enclosed please find an original and one copy of the Consumer Advocate's First Set of Interrogatories in the above-captioned docket. Copies have been served upon all parties of record.

Sincerely,

Elliott F. Elam, Jr.

Elliott F. Elam, Jr.
Staff Attorney



Enclosure(s) UTILITIES DIVISION
cc: Parties of record

TELEPHONE (AREA CODE 803)
ADMINISTRATION
734-9458
ACCOUNTING
734-9450

PUBLIC INFORMATION
734-9462

CONSUMER COMPLAINTS
734-9452
WATTS 1-800-922-1594

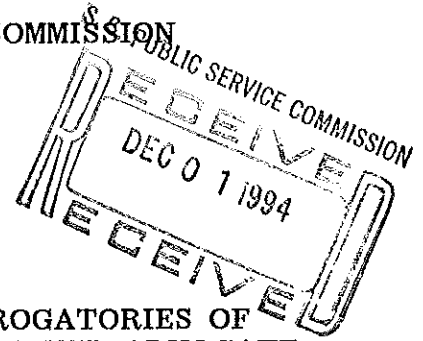
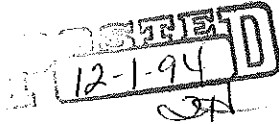
INVESTIGATORS
734-9461
ENFORCEMENT
734-9460

CONSUMER ADVOCACY
734-9464
FAX: 734-9365

STATE OF SOUTH CAROLINA

BEFORE THE PUBLIC SERVICE COMMISSION

DOCKET NO. 94-615-E



IN THE MATTER OF:

Duke Power Company and Cherokee
County Cogeneration Corporation
Joint Application for Approval of
Purchased Power Agreement

INTERROGATORIES OF
THE CONSUMER ADVOCATE
(Set No. 1)

Pursuant to S.C. Code Ann. § 37-6-601 et seq., (1989 and Supp. 1993), and 26 S.C. Code Ann. Regs. 103-851 (1976 and Supp. 1993), this party of record and Intervenor, Philip S. Porter, Acting Consumer Advocate for the State of South Carolina, hereby serves three (3) copies of the within Interrogatories upon Duke Power Company ("Company") in Docket No. 94-615-E and files the original and one (1) copy with the Honorable Charles W. Ballentine, Executive Director of the South Carolina Public Service Commission.

IT IS HEREIN REQUESTED:

- A. That all information requested below, unless otherwise specified, be limited to the Company's South Carolina operations.
- B. That all information shall be provided to the undersigned in the format as requested.
- C. That all responses to the below requests shall be labelled using the same numbers as used herein.
- D. That if the requested information is found in other places or in other exhibits, reference not be made to those, but, instead, that the information be reproduced and placed in the Interrogatory in the appropriate sequence.
- E. That any inquiries or communications relating to questions concerning clarifications of the data requested below be directed to the undersigned.

- F. That all exhibits be reduced to 8½" x 11" format.
- G. That the requested information be bound in ring binders (loose leaf notebook) or otherwise bound.
- H. That, in addition to the signature and verification at the close of the Company's responses, the Company witness(es) or employee(s) responsible for the information contained in each answer be indicated.
- I. That each of these Interrogatories be reproduced at the beginning of each of the responses.
- J. That the Company provide the Consumer Advocate two (2) copies of the responses to these Interrogatories by December 12, 1994 and forward one (1) copy to:

Peter J. Lanzalotta
Whitfield Russell Associates
1225 Eye Street, N.W.
Washington, DC 20005

- K. If the response to any Interrogatory is that the information requested is not currently available, state when the information requested will be available.
 - L. These Interrogatories shall be deemed continuing so as to require the Company to supplement or amend its responses as any additional information becomes available.
-
- 1-1. Please provide Duke's most recent avoided capacity and energy costs together with the supporting calculations upon which these estimates are based.
 - 1-2. Please provide Duke's most recent capacity (generation) expansion plans, with and without the Gaffney Cogeneration Facility included in the plan.
 - 1-3. Please provide a copy of any production cost runs (or any other studies) which Duke has made which indicate the value of the Gaffney Cogeneration Facility's energy to the Duke system. Please include the input data, the output and a description of the methodology.
 - 1-4. Please provide any studies done by, or for, Duke which indicate the capacity savings which can be achieved under the contract with the Gaffney Cogeneration Facility. Please provide the input data, the output and a description of the methodology.

- 1-5. Please provide the hourly system lambda for Duke for the period 1/1/92 to the present.
- 1-6. Please provide the basis upon which the liquidated damage rate(s) (Appendix B to the contract with Gaffney Cogeneration Facility) were derived. Please indicate what costs these payments are intended to recover. Please include all supporting workpapers.
- 1-7. Please provide the hourly volumes and prices for off-system sales and purchases (differentiated by firm, non-firm and emergency) made by Duke for the period 1/1/92 to the present.
- 1-8. Please explain the method which Duke will employ to estimate the rates for energy and capacity under section 3.8 of the contract. If the rate(s) are prospective, will they be subject to a "true-up"? If so, on what basis will this be made.
- 1-9. Please provide a copy of all other offers to provide energy and/or capacity which Duke has received from:
 - * QF's
 - * IPP's
 - * Other Utilities
- 1-10. For each of the offers in item 9, please provide all studies done by, or for, Duke which measure the value of the offers to Duke. Please provide the input data, the output and a description of the methodology.
- 1-11. For each of the offers in item 9, please indicate the reason(s) for Duke's rejection of this offer in lieu of the offer made by Gaffney Cogeneration Facility.
- 1-12. Please provide any studies which indicate the value to Duke of the dispatch provisions contained in section 12.5(a). Please provide the input data, the output and a description of the methodology.
- 1-13. Please indicate what recourse Duke has if the off-peak back-down of the facility is not realized due to the steam needs of the adjacent manufacturing facility.
- 1-14. Under the terms of section 5.5(a) would it be possible for the cogenerator to receive greater capacity payment credits than those in Appendix A (i.e. if the then current IRP indicated a greater need for capacity)?

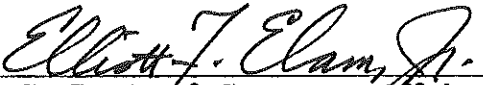
- 1-15. Please provide the most recent forecast of Duke's fuel costs (by type of fuel) for the period 1994 to 2009.
- 1-16. Please provide the most recent estimate of the marginal cost of an 80 MW block of energy on the Duke system for the period 1994 to 2009. Please include all assumptions which support these estimates.
- 1-17. Will the electrical requirements of the Gaffney Cogeneration Facility be served by Duke? If so, please indicate the demand and energy requirements and the anticipated revenues to Duke for each year of the period 1994 to 2009.
- 1-18. Please provide all studies conducted by, or for Duke which indicate the impact which the proposed cogeneration facility shall have upon the electric operations of the utility. These should include any reliability and load flow studies. Please provide the input data, the output and a description of the methodology.

Philip S. Porter
Acting Consumer Advocate

Nancy Vaughn Coombs
Deputy Consumer Advocate

Elliott F. Elam, Jr.
Staff Attorney

By:


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Columbia, S.C. 29250-5757
(803) 734-9464

November 30, 1994